

HOUSE BILL NO. 610

INTRODUCED BY D. KASTEN

BY REQUEST OF THE JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE AMOUNT OF COAL SEVERANCE TAX DEPOSITED IN THE TREASURE STATE ENDOWMENT FUND; ~~DIRECTING THE TRANSFER TO THE COAL SEVERANCE TAX PERMANENT FUND OF ONE-THIRD OF THE AMOUNT DEPOSITED IN THE TREASURE STATE ENDOWMENT FUND DURING THE FISCAL YEARS ENDING JUNE 30, 2000, AND JUNE 30, 2001;~~ AMENDING SECTION 17-5-703, MCA; AND PROVIDING ~~AN~~ A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-5-703, MCA, is amended to read:

"17-5-703. (Temporary) Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax must be deposited;

(b) a treasure state endowment fund;

(c) a treasure state endowment regional water system fund;

(d) a coal severance tax permanent fund;

(e) a coal severance tax income fund; and

(f) a coal severance tax school bond contingency loan fund.

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) through (5).

(3) (a) ~~On January 21, 1992, and continuing as~~ As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond

1 contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is
2 specified in subsection (2) to be retained in the fund.

3 (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless
4 the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as
5 principal of and interest on the school district bonds secured by state loans under 20-9-466 during the
6 next following 12 months.

7 (4) (a) ~~Beginning July 1, 1993, and ending~~ Until June 30, 2013, the state treasurer shall quarterly
8 transfer to the treasure state endowment fund ~~75%~~ 50% of the amount in the coal severance tax bond
9 fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess
10 of amounts that are transferred pursuant to subsection (3).

11 (b) ~~Beginning July 1, 1999, and ending~~ Until June 30, 2013, the state treasurer shall quarterly
12 transfer to the treasure state endowment regional water system fund 25% of the amount in the coal
13 severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the
14 fund and in excess of amounts that are transferred pursuant to subsection (3).

15 (c) The state treasurer shall monthly transfer from the treasure state endowment fund to the
16 treasure state endowment special revenue account the amount of earnings required to meet the obligations
17 of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to
18 the treasure state endowment special revenue account must be retained in the treasure state endowment
19 fund.

20 (d) The state treasurer shall monthly transfer from the treasure state endowment regional water
21 system fund to the treasure state endowment regional water system special revenue account the amount
22 of earnings required to meet the obligations of the state that are payable from the account for regional
23 water systems authorized under 90-6-715. Earnings not transferred to the treasure state endowment
24 regional water system special revenue account must be retained in the treasure state endowment regional
25 water system fund.

26 (5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in
27 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
28 deposited in the coal severance tax permanent fund. (Terminates June 30, 2013--sec. 6, Ch. 495, L.
29 1999.)

30 **17-5-703. (Effective July 1, 2013) Coal severance tax trust funds.** (1) The trust established under

1 Article IX, section 5, of the Montana constitution is composed of the following funds:

2 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
3 severance tax must be deposited;

4 (b) a treasure state endowment fund;

5 (c) a coal severance tax permanent fund;

6 (d) a coal severance tax income fund; and

7 (e) a coal severance tax school bond contingency loan fund.

8 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet
9 all principal and interest payments on bonds payable from the coal severance tax bond fund during the next
10 12 months and retain that amount in the coal severance tax bond fund.

11 (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection
12 (2)(a) must be transferred from that fund as provided in subsections (3) through (5).

13 (3) (a) ~~On January 21, 1992, and continuing as~~ As long as any school district bonds secured by
14 state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided
15 in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond
16 contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is
17 specified in subsection (2) to be retained in the fund.

18 (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless
19 the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as
20 principal of and interest on the school district bonds secured by state loans under 20-9-466 during the
21 next following 12 months.

22 (4) (a) ~~Beginning July 1, 1993, and ending~~ Until June 30, 2013, the state treasurer shall quarterly
23 transfer to the treasure state endowment fund 50% of the amount in the coal severance tax bond fund
24 in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of
25 amounts that are transferred pursuant to subsection (3).

26 (b) The state treasurer shall monthly transfer from the treasure state endowment fund to the
27 treasure state endowment special revenue account the amount of earnings required to meet the obligations
28 of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to
29 the treasure state endowment special revenue account must be retained in the treasure state endowment
30 fund.

(5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be deposited in the coal severance tax permanent fund."

~~NEW SECTION. Section 2. Fund transfer. The state treasurer shall calculate an amount equal to one-third of the coal severance tax deposits in the treasure state endowment fund made pursuant to 17-5-703 during the fiscal years ending June 30, 2000, and June 30, 2001, and transfer the amount calculated from the treasure state endowment fund to the coal severance tax permanent fund.~~

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, ~~2001~~ 2003.

- END -